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Summary of Memorandum of Conversation between Secretary and Dr. George Yeh, Chinese Foreign Minister; Chinese Ambassador Koo; Assistant Secretary Robertson; Legal Adviser Phleger; and Director of Chinese Affairs, MacArthur; of November 2, 1954 on Proposed Mutual Security Pact; Prospective New Zealand Resolution

After mentioning that he had spent the last few days working on problems created by the introduction of the "piracy" and "aggression" charges by the Soviet Union, Foreign Minister Yeh indicated his understanding that the proposed New Zealand resolution was in suspense for the time being. The Secretary replied that the bombing of the Tachen Islands might accelerate action in the UN on the question of hostilities in the general area and if the initiative were not taken by New Zealand some other country might make a move.

Indicating that the Department was ready to proceed with treaty negotiations if the Chinese Government desired, the Secretary stated that he had been experimenting with the use of the Mutual Defense Treaty of 1952 with the Philippines as a basis. He showed Dr. Yeh and Ambassador Koo marked up copies of the text of this treaty, explaining contemplated changes to make it fit the China situation. The Secretary recalled that there was ample precedent for limiting the territory to be protected by a defense treaty, citing NATO and the Manila Pact as examples. In response to a question from Ambassador Koo as to a supplemental agreement to the Philippine Defense Treaty the Secretary said that there was something in the nature of implementation of Article III which amounted to nothing more than an arrangement for more elaborate consultation. Dr. Yeh stated that the Chinese ideas as to the Treaty ran along very much the same lines as the U.S. Government's and he would like a day or two to study the U.S. proposal.

The Secretary said it was important to make clear to all that the U.S. regarded Formosa and the Pescadores as an integral part of the chain off the mainland of Asia which the U.S. considers so vital to its security that it would fight to protect it from hostile occupation. In defending this area against attack the U.S. would be disposed to strike back at the source of aggression rather than making a static defense. However, the proposed Treaty protecting Formosa and the Pescadores would not extend to the off-shore islands. U.S. military experts believe these islands could not be defended without taking measures against the mainland entailing risk of general war with Communist China and the U.S. is not prepared at this time to take action which might lead to general war. UN action to deter attacks against the off-shore islands would be useful and if the Chinese Communists can be put in a position of again defying the UN it would increase the chances of worldwide support of the Chinese Nationalist cause.

Stressing U.S. dedication to preventing the loss of Formosa, the Secretary said the U.S. is deeply loyal to the Chinese Government as a staunch ally. As the possibility exists that the Chinese Communist regime will suffer vicissitudes which could result in its collapse or disintegration, the U.S. must follow policy of opportunism. It would be prepared to play a part in hastening the process of disintegration at the right time but it is important not to move prematurely.

Dr. Yeh

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Dr. Yeh replied that while his Government is under no illusion that it now has the capability for a mainland adventure, the Chinese object to any treaty agreement or resolution implying that Free China would be forever confined to the island of Formosa. Any agreement or resolution affecting Free China must be pinpointed to avoid this connotation. Dr. Yeh felt that if a UN resolution is introduced, it would be exploited by the Communists to the detriment of his Government.

Mr. Robertson pointed out that it is highly likely that the resolution would be contemptuously rejected by the Communists since the Chinese Communists regarded the off-shore islands as an integral part of China and could not conceivably agree that they are subject to UN jurisdiction. Mr. Robertson felt that the Chinese Government would be in a stronger moral position after the resolution was introduced. The Secretary also felt that the odds were heavily in favor of the New Zealand resolution turning out well and that it would improve the position of the Chinese Government.

In response to a query from Ambassador Koo as to whether the British and French Governments were aware of the proposed New Zealand initiative, the Secretary said that the British were informed in a general way but were not happy about the proposal and were not committed to support of it. The Secretary indicated he could not blame the Chinese for being suspicious about the proposal but he felt almost certain that the Soviet Union would have to veto the New Zealand resolution or argue that the Security Council had no jurisdiction and walk out. There was every likelihood that the New Zealand initiative could be shaped up as a useful political move and if it were not made, a worse move by a less friendly country could be anticipated.

The Secretary said at U.S. request, ^{the} New Zealand resolution had been postponed because President Chiang wished the treaty announcement made first. The Department had drafted a statement as to the treaty which could be brought out on short announcement if necessary.

Indicating that he was very glad to have the U.S. draft, Dr. Yeh said that the Chinese Government would draw up its version of public announcement on the intention to negotiate a treaty. As to the treaty itself, Dr. Yeh said his Government would like to distinguish between the area to be protected and the area over which China is recognized as having sovereignty. The article limiting the area to be defended could provide for subsequent agreement as to additional territory. The Secretary replied that it was doubtful whether the Senate would delegate authority to the President to cover further areas in a subsequent executive agreement.

The Secretary replied in the affirmative to a question from Ambassador Koo as to whether the treaty would be announced before the New Zealand resolution was introduced and emphasized that we must be certain that we would agree on a treaty before an announcement was made. Dr. Yeh expressed his Government's desire to proceed rapidly with a treaty regardless of the New Zealand resolution, and recalled that the Generalissimo had expressed a hope that the New Zealand resolution would be abandoned. The Secretary said the question was should we rally support behind a proposal which promised to pay big dividends or should we let the initiative pass to a less friendly delegation. Mr. Robertson recalled that the Generalissimo at one stage said he would not be disposed to oppose the New Zealand resolution if the treaty negotiations could be announced previously or simultaneously.

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Referring to the reports of Chinese Communist bombing of the Tachen Islands on November 1, Dr. Yeh said, it was not right for the resolution to blame the Chinese Government along with the Communists for creating a threat to peace and security. If the New Zealand resolution were amended to place the blame on the Chinese Communists, if reference to peaceful methods of settlement could be eliminated then the resolution might be worthy of support. The Secretary felt we could not muster necessary support in the UN if the resolution were cast in these terms. However, the U.S. representative in his statement explaining the U.S. vote on the resolution would certainly take the position that the Communists were the aggressors.

It was agreed that Foreign Minister Yeh would continue conversations with Assistant Secretary Robertson.

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Summary of MEMO OF CONV. - "Proposed Mutual Security
Pact; Prospective New
Zealand Resolution".

(3 pages)

Participants: Secy Dulles
Dr. Yeh, Chinese Foreign Minister
Amb. Koo
Mr. Robertson
Mr. Phleger
Mr. McConaughy

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